

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS SEPTEMBER 30, 2005

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
September 30, 2005

Balance Sheet:

Other Receivables: Due from Credit Unions — Credit unions with assets \$50 million or greater which increased in insured shares from January 1, 2005 thru June 30, 2005, were invoiced \$150 million in capitalization deposit adjustments on September 12, 2005. The \$135.2 million represents the outstanding balance which is due on October 18, 2005.

Other Receivables: Loans Due to NCUSIF — is \$0.0 due to a GAAP required loan receivable/payable monthly consolidation between the Share Insurance Fund and AMAC. The pre-consolidated amount for September is \$5.8 million.

Other Receivables: Recoveries from Liq. CU — increased to \$25.9 million due primarily to a new receivable established by AMAC from the liquidation of a credit union.

Cash — includes \$1.9 million in collections on one percent deposit adjustments received after the overnight investment was made on September 30, 2004.

Interest Receivable — net increase of \$8.7 million is due to a combination of \$13.5 million in accrued interest earned in September, and payments of \$4.8 million received by the NCUSIF in September.

Prepaid & Deferred Charges — is \$0.0 for September. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. September's actual operating costs were \$9.3 million. The difference was recorded in accounts payable (other).

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

Accounts Payable: Liquidation Claims — decreased to \$10.9 million due the establishment of a payable for a liquidated credit union and a GAAP required loan receivable/payable monthly consolidation between the Share Insurance Fund and AMAC. The pre-consolidated amount for September is \$5.8 million.

Accounts Payable: Other — consists primarily of amounts due the operating fund for operating costs incurred in September.

Provision for Credit Union Losses (Reserves) — of \$77.5 million includes additional reserves of \$9.1 million for September, due primarily to an increase to the general reserves, which is based on the semi-annual review by E&I.

NCUSIF Equity — increased to 1.28% for September due to an increase in contributed capital. The equity ratio is based upon an insured share base of \$513.5 billion for June 30, 2005.

Statement of Revenue and Expense:

Investment Income — is approximately \$279 thousand less than the previous month due to one less day of interest earned in September.

NCUSIF Total Operating Expense — of \$9.5 million includes \$183.5 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is \$9.1 million for September. This increase is primarily for additional reserve increases to the general reserves based on the semi-annual review by E&I.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
SEPTEMBER 30, 2005

ASSETS	SEPTEMBER 2004	AUGUST 2005	SEPTEMBER 2005
Investments:			
U.S. Government Securities	\$6,164,709,542.08	\$6,460,424,828.45	\$6,452,880,356.44
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	168,208,481.45	46,043.51	135,212,398.11
Loans due to NCUSIF	4,495,917.94	5,780,910.69	0.00
Recoveries from Liq. CU	13,133,710.31	23,735,497.20	25,904,946.60
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Total Other Receivables	185,838,109.70	29,562,451.40	161,117,344.71
Cash	2,984,909.22	5,725.21	1,938,813.89
Interest Receivable	56,434,629.14	30,986,953.20	39,642,913.64
Prepaid & Deferred Charges	443,782.28	0.00	0.00
Leased Assets	620,217.77	240,497.41	206,399.55
Other	25,480,413.26	24,250,120.57	24,122,684.63
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TOTAL ASSETS	\$6,436,511,603.45	\$6,545,470,576.24	\$6,679,908,512.86
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$9,037,175.09	\$13,159,158.26	\$10,857,272.92
Other	0.00	110,052.84	2,333,408.48
Check Clearing Accounts	26,190.91	5,892.50	15,190.54
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	9,063,366.00	13,275,103.60	13,205,871.94
Provision for CU Losses (Reserves)	88,596,849.50	69,225,581.78	77,543,734.49
Lease Liabilities	628,284.43	210,963.52	211,268.63
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TOTAL LIABILITIES	\$98,288,499.93	\$82,711,648.90	\$90,960,875.06
EQUITY			
CU Contributed Capital	\$4,945,791,839.22	\$5,000,114,987.18	\$5,129,230,651.04
Retained Earnings	1,392,431,264.30	1,462,643,940.16	1,459,716,986.76
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TOTAL EQUITY	\$6,338,223,103.52	\$6,462,758,927.34	\$6,588,947,637.80
TOTAL LIABILITIES & EQUITY	\$6,436,511,603.45	\$6,545,470,576.24	\$6,679,908,512.86
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending September 30, 2005

	SEP 04	AUG 05	SEP 05
1. Investments/Total Assets	95.78%	98.70%	96.60%
2. Total Equity/Insured Shares	1.28%	1.26%	1.28%
3. Prov. for Losses/CU Capital	1.79%	1.38%	1.51%
4. Non-Earning/Total Assets	3.83%	0.93%	3.04%
5. Available Asset Ratio	1.22%	1.23%	1.23%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING SEPTEMBER 30, 2005

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2005	CY TO DATE BUDGETED 2005	CY TO DATE 2004
Investment Income	\$15,535,256.78	\$15,700,000.00	\$122,160,106.48	\$116,100,000.00	\$92,432,711.22
Other Income	59,782.31	44,000.00	468,914.91	\$396,000.00	388,647.56
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Total Income	15,595,039.09	15,744,000.00	122,629,021.39	116,496,000.00	92,821,358.78
EXPENSE					
Employee Pay	\$4,440,020.60	4,309,162.34	\$35,783,703.25	38,205,109.21	36,736,920.84
Employee Benefits	\$1,210,966.84	1,113,039.49	\$9,369,830.61	9,872,550.36	9,227,901.18
Employee Travel	\$1,216,113.34	608,897.60	\$5,221,192.16	5,480,078.41	4,789,919.29
Rent/Communications/Utilities	\$293,543.45	186,679.74	\$1,684,895.39	1,680,117.70	1,952,167.90
Administrative Costs	\$1,666,314.14	498,672.47	\$5,472,634.58	4,488,052.19	4,071,747.75
Contracted Services	\$456,317.42	393,604.84	\$2,453,082.39	3,542,443.59	2,364,935.06
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Subtotal NCUA Operating Exp.	9,283,275.79	7,110,056.48	59,985,338.38	63,268,351.47	59,143,592.02
AMAC Expense	4.50	1,589.33	318.01	14,303.97	30,832.41
Training Expense	139,083.53	90,000.00	762,273.19	810,000.00	632,993.47
Leasing Expense	34,402.97	35,000.00	313,235.06	315,000.00	319,828.92
Other Insurance Expense	10,041.70	3,500.00	32,915.05	31,500.00	27,194.07
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Total Operating Exp.	9,466,808.49	7,240,145.81	61,094,079.69	64,439,155.44	60,154,440.89
Insurance Loss	9,055,184.00	1,500,000.00	17,982,212.49	13,500,000.00	9,029,807.22
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Total Expense	18,521,992.49	8,740,145.81	79,076,292.18	77,939,155.44	69,184,248.11
NET INCOME	(\$2,926,953.40)	\$7,003,854.19	\$43,552,729.21	\$38,556,844.56	\$23,637,110.67
	=====	=====	=====	=====	=====
Retained Earnings, Beginning of Year			\$1,416,164,257.55		\$1,368,794,153.63
Prior Year Adjustment			0.00		0.00
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As Restated			1,416,164,257.55		1,368,794,153.63
Net Income			43,552,729.21		23,637,110.67
			-----		-----
			1,459,716,986.76		1,392,431,264.30
Dividends			0.00		0.00
			-----		-----
			\$1,459,716,986.76		\$1,392,431,264.30
Retained Earnings, Year To Date			=====		=====

Comparative Analysis of NCUSIF Ratios for September 30, 2005

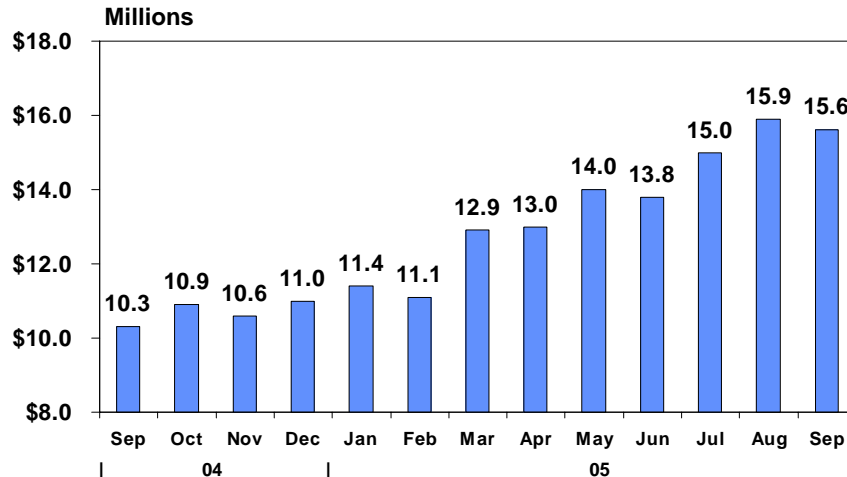
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	45.74%	60.70%	64.81%	49.82%
2. Ins. Loss/Total Income	5.36%	58.06%	9.73%	14.66%
3. Total Exp./Total Income	51.10%	118.77%	74.53%	64.48%
4. Net Income/Total Income	48.90%	-18.77%	25.47%	35.52%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
September 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$120,763,160.68
Other income received	468,914.91
Cash paid for operating expenses	(59,733,045.24)
Net cash (paid) received for insurance losses	<u>(17,583,088.06)</u>
Net cash provided by operating activities	43,915,942.29
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(95,437,537.42)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>1,022,194.26</u>
Net cash provided by (used in) investing activities	(94,415,343.16)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	52,432,811.75
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	52,432,811.75
NET INCREASE (DECREASE) IN CASH	1,933,410.88
CASH, BEGINNING OF YEAR	5,403.01
CASH, ENDING SEPTEMBER 30 2005	<u><u>\$1,938,813.89</u></u>

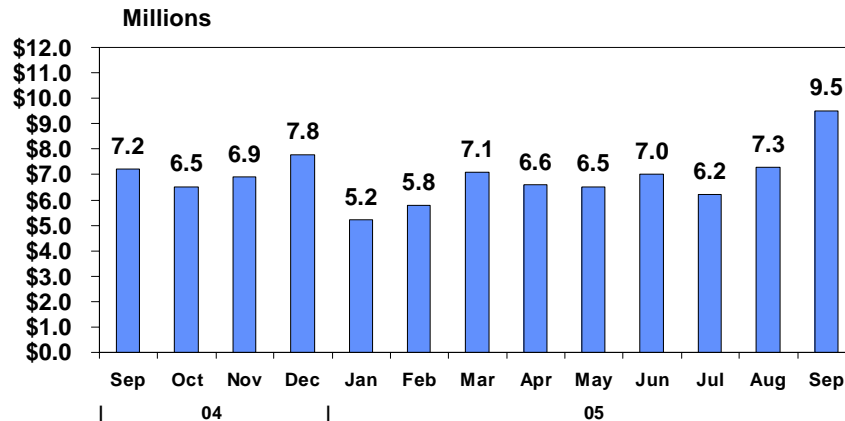
GROSS INCOME

September 04 – September 05



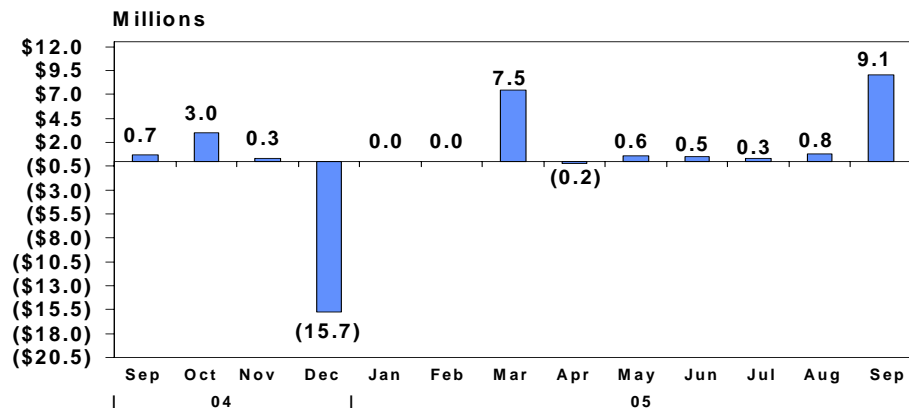
OPERATING EXPENSE

September 04 – September 05



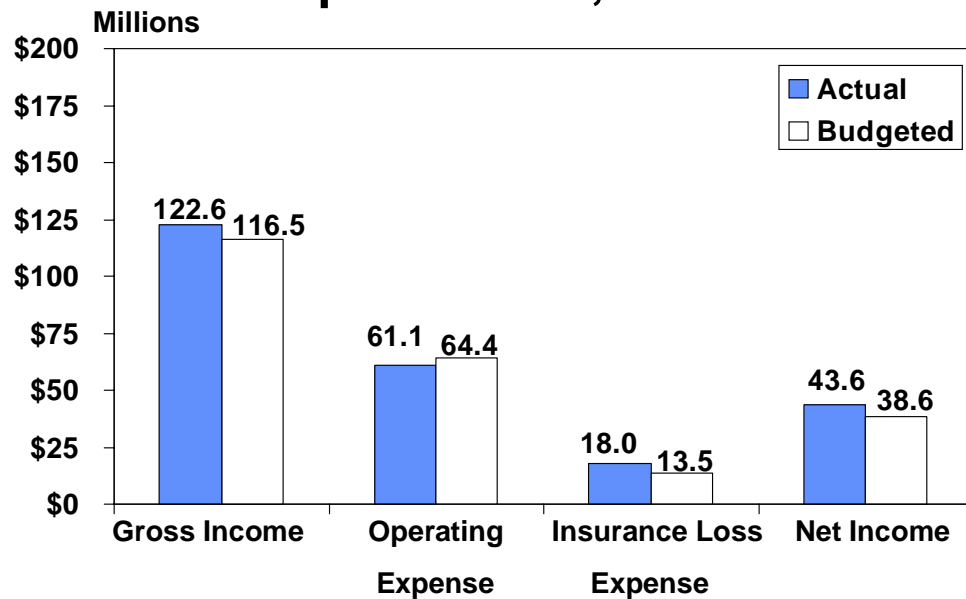
INSURANCE LOSS EXPENSE

September 04 – September 05



REVENUE AND EXPENSE

September 30, 2005



NCUSIF EQUITY RATIO

SEPTEMBER 30, 2005

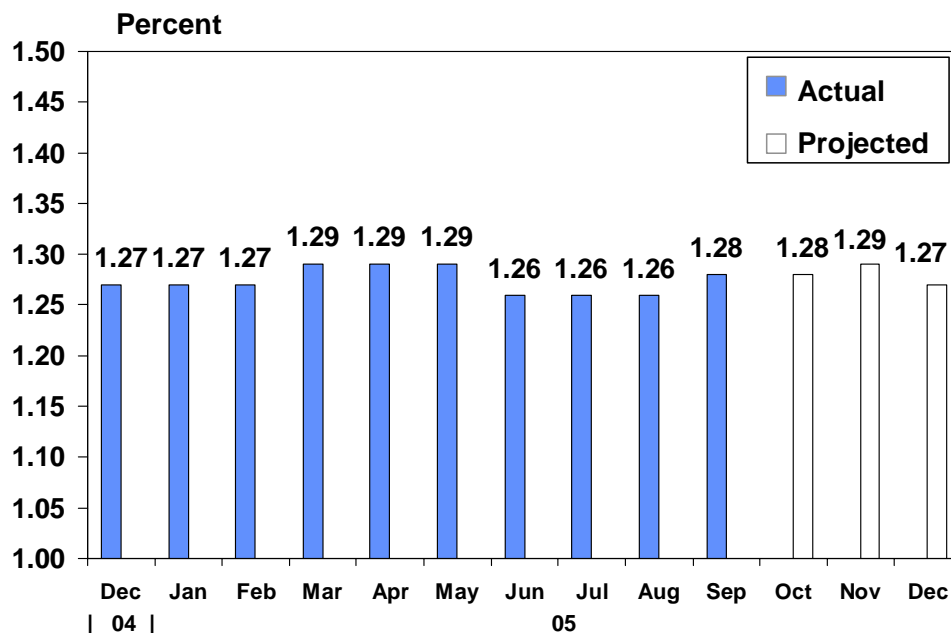
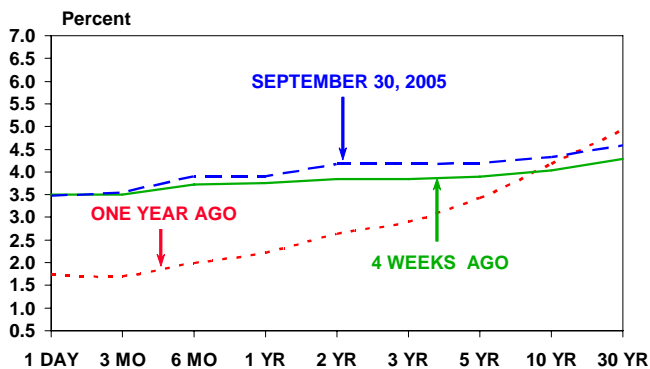


TABLE 4

INVESTMENT PORTFOLIO SUMMARYSeptember 30, 2005

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,873,266,000	\$1,873,266,000	\$0	100.0%	3.59%
U.S. Treasury Notes	\$4,579,614,357	\$4,521,390,625	(\$58,223,732)	98.7%	2.66%
TOTAL	\$6,452,880,357	\$6,394,656,625	(\$58,223,732)	99.1%	2.92%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY05 Revised Projections	
Investment Yield	2.84%	2.89%	2.52%	2.75%	
Investment Income	\$15,814,542	\$15,535,257	\$122,160,107	163 Million	
Income Budgeted	\$15,700,000	\$15,700,000	\$116,100,000	163 Million	
Income/Budgeted Ratio	100.7%	99.0%	105.2%	100.00%	
Weighted Avg. Maturity in Days	362	341			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL			\$0		
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	2,373.3				
3 months - 1 year	1,600.0				
1 year - 2 years	1,650.0				
2 years - 3 years	600.0				
3 years - 4 years	0.0				
4 years - 5 years	200.0				
TOTAL	\$6,423.3				

TREASURY YIELD CURVE



MATURITY SCHEDULE

September 30, 2005

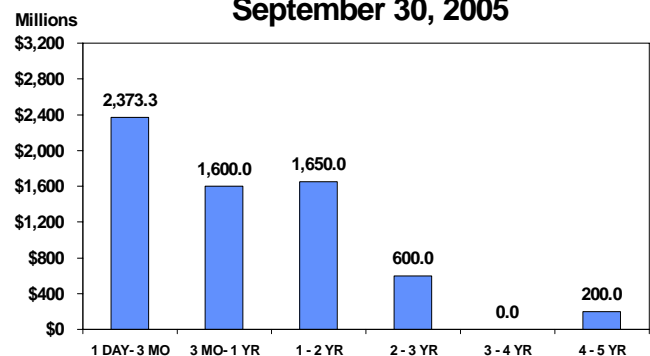


TABLE 5

MONTHLY YIELD COMPARISONS**September 30, 2005**

YIELD COMPARISONS								
	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
NCUSIF Yield	2.27%	2.36%	2.43%	2.52%	2.56%	2.69%	2.84%	2.89%
90 day T-Bill	2.74%	2.78%	2.89%	2.97%	3.12%	3.39%	3.51%	3.53%
1 year T-Bill	3.19%	3.34%	3.33%	3.28%	3.45%	3.78%	3.76%	3.98%
2 year T-Note	3.58%	3.78%	3.65%	3.55%	3.67%	4.02%	3.84%	4.16%
30 year T-Note	4.72%	4.75%	4.51%	4.31%	4.21%	4.49%	4.28%	4.57%

YIELD COMPARISONS

September 30, 2005

